

ONE IN, ONE OUT ACT

Background

- In January 2011, the United Kingdom instituted a “One In, One Out” policy to reduce regulatory burdens on businesses.
- This novel policy requires government departments to assess the net cost to business of complying with any new regulation that is proposed (an “in”).
- If a new regulation means a cost to business, a deregulatory measure (an “out”) must be found that reduces the net cost by at least the same amount before the new regulation may go into effect.
- When the policy was enacted, departments proposed a total of 157 domestic regulatory measures, 119 of which would have imposed a burden on business.
- After just six months, only 46 regulations remained, and only 11 of those imposed a net cost to business.
- The program has been so successful that agencies must now repeal *two* regulations before a new one can go into effect.

One In, One Out Act

- Introduced on July 28, 2015, the *One In, One Out Act* mirrors the successful British policy which requires government agencies to repeal or revise existing regulations before a new regulation may go into effect.
- The cost of the new regulation cannot exceed the cost of the repealed or revised regulations.

Regulation in the U.S.

- The Code of Federal Regulations now stood at 175,496 pages at the end of 2013, compared to 22,877 pages in 1960.
- The number of pages in the Code of Federal Regulation has more than doubled since 1975.
- In the last decade alone, the number of costliest rules (generally those with a \$100 million annual economic impact) has increased by more than 60%.
- Small businesses, in particular, are struggling to cope with the incessant onslaught of regulations, which cost about \$1.75 trillion annually, nearly twice as much as all individual income taxes collected last year.
- According to the U.S. Chamber of Commerce, businesses with fewer than 20 employees incur regulatory costs 42% higher than larger business.
- The Small Business Administration estimates the average regulatory cost per employee exceeds \$10,500 per year.
- The regulatory cost per household totals \$14,678 – 23.2% of the national average family income.